TABLE II.—COMPARISON OF FEDERAL INCOME TAX RATES FOR 1980 AND 1981 (PERCENT)

	U.S. tax rate on U.S. income		Foreign tax rate on foreign income [1]		Worldwide tax rate on worldwide income [2]	
	1981	1980	1981	1980	1981	1980
Aerospace	6.8	16.4	36.5	41.1	12.3	20.3
Beverages	28.8	28.0	39.1	38.8	33.2	32.7
Chemicals	5.0	13.7	57.1	48.8	29.2	30.3
Commercial Banks	2.3	5.6	38.1	39.0	24.7	22.5
Crude Oil Production	3.1	21.8	74.2	63.2	52.5	54.3
Diversified Financials	16.8	7.7	39.3	32.7	17.5	12.3
Diversified Services	29.6	32.2	33.5	35.4	17.5	33.6
Electronics, Appliances	29.3	29.9	42.4	34.8	34.3	31.4
Food Processors	26.8	35.6	50.7	43.3	32.6	37.4
Industrial & Farm Equipment	24.1	21.4	40.4	28.5	27.6	22.9
Metal Manufacturing	9.8	15.1	35.1	31.9	11.6	18.5
Motor Vehicles	47.7	13.4	97.5	35.3	21.8	21.9
Office Equipment	25.3	24.9	60.0	49.3	39.1	36.9
Oil and Refining	18.6	30.0	60.4	58.4	38.0	44.7
Paper and Wood Products	(14.2)	(1.4)	29.0	35.2	(8.7)	7.0
Pharmaceuticals	35.9	39.2	48.4	43.9	39.6	41.5
Retailing	22.7	34.1	41.1	41.3	24.5	35.1
Tobacco	31.3	31.4	20.6	23.2	29.5	30.6
Transportation:						
Airlines	16.1	(0.1)	27.0	33.1	17.6	14.3
Railroads	(7.5)	10.7			(7.5)	10.7
Trucking	46.1	37.5	47.9	55.6	46.9	38.4
Utilities	9.2	7.3	40.6	41.0	9.3	7.9

[1] See note, 1, table 1.
[2] See note, 2, table 1.

TABLE III.—FEDERAL GOVERNMENT RECEIPTS, 1950–80

[By category, as percent of total annual receipts [1]]

Fiscal year	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance
1950	39.2	28.3	19.5	13.1
1952	44.2	29.6	14.9	11.2
1954	46.0	26.3	15.8	11.9
1956	44.4	27.9	14.3	13.5
1958	46.5	22.9	14.9	15.7
1960	44.9	23.5	13.9	17.6
1962	45.4	21.8	13.6	19.1
1964	43.9	22.2	13.5	20.4
1966	43.3	23.2	11.7	21.8
1968	44.7	20.7	10.7	24.0
1970	48.2	16.9	9.9	25.0
1972	47.1	16.0	9.3	27.6
1974	45.2	16.0	7.9	31.0
1976	43.6	16.7	7.7	32.1
1978	45.0	16.2	6.6	32.2
1980	47.4	13.4	6.8	32.5
1981	47.4	11.4	9.2	32.0

[1] Components may not total 100 percent due to rounding.
Source: Based on the Economic Report of the President, 1970 and 1982.

FAIR PRACTICES IN AUTOMOTIVE PRODUCTS ACT

(Mr. FRENZEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRENZEL. Mr. Speaker, again I would like to reiterate my support for the Fenwick amendment to H.R. 5133. This amendment would insure that the provisions of H.R. 5133 cannot be implemented should they violate any treaty, international convention or agreement on tariffs and trade to which the United States is a party. Since the bill quite clearly does violate articles III, IV, and XI of the General Agreement on Tariffs and Trade and, in addition, the United States-Canadian Automotive Products Agreements Act and several of our treaties of friendship, commerce, and navigation, it is obvious to me that inclusion of the Fenwick amendment into H.R. 5133 would preclude the implementation of any section of the bill, H.R. 5133.

It is important that we live up to our international agreements to provide some order in what would otherwise be haphazard and chaotic relationships with other countries. Passage of H.R. 5133 without this amendment would mean a serious breach in commitments we have signed and promised to uphold. The Fenwick amendment would provide the assurance we need that the provisions of this bill will never be implemented.

NUCLEAR NONPROLIFERATION: AGENDA FOR THE 98TH CONGRESS

(Mr. BINGHAM asked and was given permission to extent his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, on December 16, I introduced a bill to strengthen U.S. policy aimed at preventing the spread of nuclear weapons. This legislation had been approved and ordered reported favorably the day before by the full Committee on Foreign Affairs. There was not, however, time in the 97th Congress to file a report, or to bring this important legislation before the House as a whole. I have introduced the bill in its final form to make these proposals a matter of record in the hope that they will provide a clear and precise agenda for enactment of legislation in this area early in the 98th Congress. The bill number is H.R. 7430; it was cosponsored by Mr. OTTINGER, Mr. UDALL, Mr. FASCELL, Mr. WOLPE, Mr. SHAMANSKY, Mr. BONKER, Mr. ECKART, Mr. BARNES, Mr. STUDDS, Mr. EDGAR, Mr. GEJDENSON, Mr. SEIBERLING, Mr. MARKEY.

Basic policy and procedures for the export by the United States of nuclear materials and technology which could be diverted to use in nuclear weapons is set forth in the Nuclear Nonproliferation Act of 1978 which was passed in the House by a vote of 411 to 0. The essence of that legislation is the requirement that nations which wish to obtain U.S. nuclear materials and technology must adhere strictly to internationally verified safeguards on all of their nuclear facilities. The Nuclear Regulatory Commission and the State Department are charged with the responsibility of making sure that that important standard is met prior to any U.S. nuclear export.

Extensive oversight hearings and activities by the Subcommittee on International Economic Policy and Trade, which I have had the honor to chair, and the Subcommittee on International Security and Scientific Affairs, revealed certain gaps in the coverage of the Nuclear Nonprolferation Act. Some categories of technology which have potential nuclear applications are licensed for export by the Energy and Commerce Departments without any requirement for State Department or NRC review. Those exports, therefore, have not been subject to the standards set forth in the Nuclear Nonproliferation Act. As a result, some exports and transfers of U.S. nuclear related items have been approved to countries like South Africa and Argentina which do not adhere to full-scope safeguards.

The legislation approved by the committee and introduced as a clean bill today would close those gaps by making full-scope safeguards the criterion for all nuclear exports, regardless of the reviewing or licensing agency. (Titles I and VI.)

Our oversight hearings and investigations over the past several years have also demonstrated the need to scale back as much as possible our exports of highly enriched uranium, which is widely used in research reactors, but is also useable for weapons. This legislation mandates continuation of highly enriched uranium to pledge to convert to such alternative fuels as soon as they become available as a condition of continued access in the meantime to highly enriched uranium from the United States (title II).

Mr. Speaker, this bill also gives the Secretary of Defense a more formal role in nuclear export licensing deci-

sions in light of the national security implications of such exports, title IV, sets standards for the programmatic approval of transfers for reprocessing or other purposes of U.S.-origin nuclear materials by foreign countries (title III) and prohibits the export of reprocessing technology (title V).

Perseverence and continued vigilence by the United States are crucial to avoid the nightmare of widepread nuclear weapons proliferation. A clear, consistent, and carefully implemented nuclear export policy is the key to such vigilence. The legislation I am introducing today would extend the policy and procedures set forth in the Nuclear Nonproliferation Act and thereby increase the effectiveness of that Act as a deterrent to nuclear proliferation. I commend this legislation to my colleagues who have been elected to the 98th Congress. I hope they will follow the lead of the Foreign Affairs Committee in reporting out this legislation yesterday, and enact it into law early in 1983.

I proceed now to a more detailed fuller summary discussion of the bill's various provisions, and the reasons therefor.

TITLE I: AUTHORIZATION BY THE SECRETARY OF ENERGY FOR CERTAIN ACTIVITIES OUTSIDE THE UNITED STATES

BACKGROUND

The Nuclear Non-Proliferation Act of 1978 (NNPA) delegated authority to the Department of Energy (DOE) to grant authorizations for firms and individuals to engage directly or indirectly in the production of special nuclear material, such as plutonium and enriched uranium, outside the United States. Activities typically included in these authorizations are training, provision of designs and specialized research equipment with nuclear applications, assistance managing nuclear facilities, and transfer of nuclear equipment and fuel from third countries.

Such activities can contribute as much to proliferation as the direct export of nuclear fuel and equipment from the United States. Yet, while the direct export of nuclear fuel and equipment licensed by the Nuclear Regulatory Commission (NRC) is governed by a tough set of restrictions, DOE authorizations are not. Notwithstanding DOE's recent revision of its authorization procedures, activities can still be authorized to take place in a country that has not accepted full-scope safeguard inspections of all its nuclear facilities by the International Atomic Energy Agency (IAEA). Even if a nonnuclear weapons state acquired and detonated a bomb, it would still be eligible for DOE authorized activities. Moreover, as testimony submitted to the Subcommittee on International Economic Policy and Trade has confirmed, DOE continues to make these authorizations without public or congressional notice, as well as, without NRC concurrence or the possibility of a congressional veto by concurrent resolution. The GAO has concluded that DOE's administration of these authorizations "provides too many opportunities for arbitrary executive branch decisions."

Recent events have dramatized this weakness in the NNPA. Press accounts reveal that Westinghouse Corp. is contemplating an arrangement that would permit the sale of a nuclear power reactor to Pakistan through a third country. Pakistan has not agreed to full-scope safeguards and substantial evidence exists that it is on the road to making its own nuclear weapons. In a similar incident, DOE approved the export to Switzerland last year of a process control system for end use in an Argentinian heavy-water production facility. Argentina, like Pakistan, is not eligible under the NNPA for NRC licenses for fuel or equipment because it has not agreed to full-scope safeguards.

THE AMENDMENT

The amendment strengthens the statutory requirements governing DOE authorizations. First, it requires that all authorizations issued by the Secretary of Energy be published in the Federal Register and that the Secretary report annually on all activities carried out under DOE authorizations. Second, the amendment prohibits DOE authorizations for activities in a nonnuclear weapons state that does not accept full-scope nuclear safeguards or otherwise fails to meet criteria for direct nuclear exports licensed by the NRC. Likewise, the bill would require termination of authorizations to nations engaging in activities such as denotation of a nuclear devise by a nonnuclear weapons state, that could lead to a halt of exports licensed by the NRC. A Presidential waiver of these requirements and a congressional veto of this waiver by concurrent resolution is provided for under provisions already contained in the NNPA for NRC licensed exports.

TITLE II: HIGHLY ENRICHED URANIUM

BACKGROUND

Title II involves the export of highly enriched uranium (HEU). HEU, uranium highly enriched in the isotope-235, is used chiefly for nuclear research. But it is also capable of providing the explosive for a nuclear device. The United States, China, the Soviet Union, Great Britain, and France have all denotated bombs with HEU.

The United States can play an important leadership role in restricting commerce in this dangerous substance. For one thing, the DOE is by far the largest world exporter of HEU. For another, it is currently undertaking a program to develop an alternative fuel that does not pose the proliferation risks of HEU. Unfortunately, however, funding that does not pose the proliferation risks of HEU. Unfortunately, however, funding for this program has been below originally projected needs, as was substantiated by a GAO report published in August 1982, which also noted that the so-called reduced enrichment program is one of the few concrete U.S. nonproliferation policy initiatives to gain widespread international support. Inadequate funding has necessitated cutbacks in the development of an alternative fuel and set back the day when an alternative fuel can be put into use. At one point last year, it even appeared that the program might be scrapped altogether.

THE AMENDMENT

The bill provides stiffer criteria for the export of HEU. Specifically no license could be granted by the NRC for the export of HEU to a foreign reactor that can use an available alternative fuel. If no alternative fuel is available, the license could not be issued unless that recipient gives assurances that it shall use an alternative fuel when it becomes available and the NRC finds that the executive branch is taking steps to develop an alternative fuel.

The NRC, together with the Secretary of State, would be required to determine a kilogram limit on the amount of U.S.-origin HEU that could be stored at each foreign reactor. The bill also requires efforts to support improvement of physical security for HEU exports. Finally, the President would be required to submit a plan to Congress for the "development and use in foreign reactors of alternative nuclear reactor fuel."

These provisions relating to HEU are intended to encourage the executive branch to develop aggressively an alternative fuel to insure that the fuel is introduced into commerce as soon as possible. In the meantime, HEU exports, which go to some of our closest allies, can continue. The bill also recognizes that an alternative fuel, once developed may not work adequately in all reactors that now use HEU. In reactors where HEU is still the only workable fuel, HEU exports will continue, though the bill strives to keep the enrichment levels of exported uranium as low as possible while still meeting reactor requirements.

TITLE III: ARRANGEMENTS INVOLVING REPROCESSING

Title III involves approvals called subsequent arrangements to allow the processing of U.S.-exported fuel or its retransfer for that purpose. Reprocessing creates plutonium, a substance even more dangerous than HEU. Not only is plutonium capable of serving as an explosive but it is the most toxic substance known to man. Moreover, two Directors General of the International Atomic Energy Agency and the current head of the Nuclear Regulatory Commission, appointed by President Reagan, have said that technical mechanisms do not exist for adequately safeguarding that material so as to detect a diversion.

Yet, the institutional checks on the executive branch decisions to grant subsequent arrangements for reprocessing are weaker than on exports of far less dangerous substances. Both

the executive branch and the independent NRC must agree that a license should be issued before any fuel, including low enriched uranium, is exported. But once the fuel is abroad, the executive branch—primarily the Departments of Energy and State—has the sole responsibility for granting approvals for countries to reprocess the fuel. NRC concurrence is not required. And while the executive branch must notify the Congress of its decision, there is no provision for a congressional veto.

An additional concern over subsequent arrangements has surfaced in connection with a recently announced administration policy regarding reprocessing abroad. Rather than toughen restrictions on subsequent arrangements, the administration proposes to ease them for select countries by providing long-term, programmatic approvals for reprocessing that would not require standard case-by-case review through subsequent arrangements. While the administration has yet to indicate precisely how it would make such approvals in light of the restrictions already existing in the NNPA, the concept of programmatic approval clearly conflicts with the case-by-case approach anticipated in the act and, in addition, would make it increasingly difficult to discourage countries from engaging in the separation of plutonium. Moreover, while programmatic approvals would constitute major policy concessions on the part of the United States, the administration has not indicated how it will use these concessions to win greater allied cooperation in nuclear nonproliferation efforts.

THE AMENDMENT

Title III would require NRC concurrence before the United States could grant a subsequent arrangement for reprocessing. This replaces the original provision in H.R. 6032, which allowed for a congressional veto by concurrent resolution of subsequent arrangements for reprocessing.

Title III would permit the administration to grant programmatic approvals for reprocessing through new or amended agreements for cooperation. As a condition for such approvals, however, the country for which the approval is made must have established export policies of its own prohibiting nuclear sales to those countries that do not permit full-scope IAEA safeguards. This is in keeping with our own export restrictions that do not permit NRC licenses for exports to countries not subject to full-scope IAEA safeguards. The NNPA, as currently written, provides for a congressional veto over agreements for cooperation.

For the purpose of this legislation, the term programmatic approval for reprocessing is defined as any approval governing the reprocessing and retransfer of spent fuel in excess of 31 metric tons or of plutonium in excess of 240 kilograms. A large nuclear power reactor produces 31 metric tons of spent fuel annually. The reprocessing of this fuel produced 240 kilograms of plutonium.

TITLE IV: SPECIFIC FUNCTIONS OF THE SECRETARY OF DEFENSE IN NUCLEAR NONPROLIFERATION MATTERS

BACKGROUND

Title IV addresses the role of the Secretary of Defense in executive branch nuclear nonproliferation decisionmaking. Above all, nuclear nonproliferation—the spread of nuclear weapons—is a national defense problem. For this reason, the NNPA prohibits export licenses for nuclear fuel or equipment unless the executive branch believes the sale is "not inimical to the common defense and security." Nevertheless, the Secretary of Defense is peripheral to most of our international nuclear decisions: He has only a consultative role in decisions to grant export licenses and to permit subsequent arrangments. He has no formal say whatsoever concerning agreements for cooperation, except in the few cases where such agreements relate to military partnerships.

This lack of formal DOD involvement in U.S. commercial nuclear decisions is particularly troublesome today, when a number of countries on the brink of confrontation might well seek to acquire a nuclear bomb. The United States, for example, could easily become embroiled in any conflict that erupted in the Middle East. Just the fear that a country might build a bomb can cause hostilities, as happened last year when Israel carried out a preemptive strike against an Iraqi nuclear facility, which could have created bomb-grade material. In the midst of this tension it is critical that the Department of Defense's national security perspective play a large role in our export decisions.

THE AMENDMENT

This bill gives a stronger role to the Secretary of Defense in nuclear decisionmaking. The Secretary would have a de facto veto over agreements for nuclear cooperation, nuclear export licenses, and subsequent arrangements. This veto would stem from requirements that the Secretary of Defense make favorable findings and judgments before final decisions are reached in these areas by the executive branch. The bill would also increase DOD's influence over decisions in the sensitive area of subsequent arrangements for reprocessing.

TITLE V: EXPORTS OF REPROCESSING COMPONENTS AND TECHNOLOGY PROHIBITION

BACKGROUND

The administration has recently announced that it will permit the export of reprocessing technology. This marks a major shift from the policies of previous Republican and Democratic administrations which not only blocked the export of reprocessing technology but declared a moratorium on reprocessing in the United States. This previous export ban was imposed because it was considered neither safe nor economical to recover plutonium through reprocessing and therefore, reprocessing should not be encouraged. Witnesses appearing before the Subcommittees on International Security and Scientific Affairs and on International Economic Policy and Trade testified in August that reprocessing facilities still cannot be adequately safeguarded and that as reprocessing increases so do the risks of diversions by nations or subnational groups. In addition, witnesses pointed out that plutonium certainly will not be economical until the price of uranium triples. With improvements in reactor efficiency the price of uranium would have to increase seven times. Moreover, reprocessing plants abroad have compiled dismal operating records, which further challenge economic and safety assumptions for reprocessing. By opening up the possibility that it will export reprocessing technology, the United States would be sending confusing signals to allies and reduce its ability, successfully exercised in the past, to discourage allies not to export reprocessing technology.

THE AMENDMENT

Title V, adopted from H.R. 6318, would prohibit the export of essential reprocessing components, sensitive reprocessing technology, and other assistance which is essential to nuclear fuel reprocessing.

TITLE VI: EXPORTS LICENSED BY THE DEPARTMENT OF COMMERCE

BACKGROUND

Like the Department of Energy authorizations for nuclear activities abroad, Department of Commerce export licenses for nuclear related commodities are not subject to restrictions comparable to those governing NRC export licenses. As a result, items on the Commerce Nuclear Referral List, which include commodities that have direct application for nuclear weapons production, may be sent to a country that has not accepted full-scope safeguards or provided other assurances that it will use commercial nuclear facilities strictly for nonmilitary purposes. Indeed, according to Commerce testimony before the subcommittees on International Security and Scientific Affairs and on International Economic Policy and Trade in June, the Department is currently permitting such exports to Pakistan, South Africa, Brazil, and Argentina, all countries that are considered serious proliferation risks.

THE AMENDMENT

The amendment prohibits the Secretary of Commerce from issuing a validated license for the export to a nonnuclear weapons state of goods or technology that are to be used in a production or utilization facility or are likely to be diverted for use in such a facility unless the recipient country accepts full-scope IAEA safeguards and otherwise meets the criteria for

direct nuclear exports licensed by the NRC. The bill also requires termination of exports to nations engaging in activities that would lead to a halt of exports licensed by the NRC. A Presidential wavier of these requirements and a congressional veto of this waiver by concurrent resolution is provided for under provisions already contained in the NNPA for NRC licensed exports.●

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 631

Mr. WHITTEN submitted the following conference report and statement on the joint resolution (H.J. Res. 631) making further continuing appropriations and providing for productive employment for the fiscal year 1983, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 97-980)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 631) making further continuing appropriations and providing for productive employment for the fiscal year ending September 30, 1983, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 10, 11, 12, 16, 22, 33, 35, 37, 40, 41, 58, 61, 67, 73, 81, 82, 83, 84, 86, 87, 88, 90, 91, 97, 98, 109, 112, 113, 114, 115, 116, 120, 122, 123, 128, and 130.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 15, 17, 18, 19, 20, 21, 24, 25, 27, 28, 29, 32, 36, 38, 39, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 62, 63, 64, 65, 66, 68, 69, 72, 74, 76, 77, 78, 80, 85, 89, 100, 101, 102, 103, 104, 105, 106, 107, 108, 111, 117, 118, 124, 126, 129, and 132, and agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment insert the following: , *or any other provision of law or section 102 of this joint resolution*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

That notwithstanding the provisions of this paragraph making amounts available or otherwise providing for levels of program authority, the following amounts only shall be available and the following levels of authority only shall be provided for the following accounts or under the following headings: $284,100,437 for payment to the "Inter-American Development Bank" and not to exceed $828,137,742 in callable capital subscriptions; $126,041,553 for payment to the "International Bank for Reconstruction and Development" and not to exceed $1,530,275,913 in callable capital subscriptions; $700,000,000 for payment to the "International Development Association"; $131,882,575 for payment to the "Asian Development Bank" and not to exceed $2,243,811 in callable capital subscriptions; $50,000,000 for payment to the "African Development Fund"; $249,002,000 for "International Organizations and Programs"; including the provisions of section 103(g) of the Foreign Assistance Act of 1961, except that such funds shall be made available only in accordance with the Joint Explanatory Statement of the Committee of Conference accompanying the conference report on this joint resolution (H.R. Res. 631); $140,288,000 for "Energy and selected development activities, Development Assistance"; $25,000,000 for "International disaster assistance"; $93,757,000 for "Sahel development program", of which not less than $2,000,000 shall be available only for the African Development Foundation; $35,403,000 for "Payment to the Foreign Service Retirement and Disability Fund"; $1,700,000 in foreign currencies for "Overseas training and special development activities (foreign currency program)"; $2,576,000,000 for the "Economic Support Fund" (without applying prior year earmarking of funds for Sudan and Poland), of which not less than $785,000,000 shall be available for Israel and not less than $750,000,000 shall be available for Egypt; $31,100,000 for "Peacekeeping operations"; $335,000,000 for "Operating expenses of the Agency for International Development"; $10,500,000 for "Trade and development"; $109,000,000 for the "Peace Corps", $395,000,000 for "Migration and Refugee Assistance" (without applying prior year earmarking of funds); $290,000,000 for necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961 and the provisions of title I of S. 2608, as reported, of which not less than $110,000,000 shall be available for Turkey, not less than $37,500,000 shall be available for Portugal, and not less than $25,000,000 shall be available for Morocco; $45,000,000 for "International Military Education and Training"; $1,175,000,000 for necessary expenses to carry out sections 23 and 24 of the Arms Export Control Act and the provisions of title I of S. 2608, as reported, of which not less than $750,000,000 shall be allocated to Israel ($1,700,000,000 of the amount provided for the total aggregate credit sale ceiling during the current fiscal year shall be allocated only to Israel) and not less than $425,000.000 shall be allocated to Egypt; $3,638,000,000 of contingent liability (of which not less than $290,000,000 shall be available for Turkey, not less than $52,500,000 shall be available for Portugal, not less than $75,000.000 shall be available for Morocco, and not less than $400,000,000 shall be available for Spain) for total commitments to guarantee loans under "Foreign Military Credit Sales"; not to exceed $125,000,000 are authorized to be made available for the "Special Defense Acquisition Fund"; and not to exceed $4,400,000,000 of gross obligations for the principal amount of direct loans and $9,000,000,000 of total commitments to guarantee loans under "export-Import Bank of the United States": Provided further, That none of the funds available under this paragraph may be made available for payment to the "International Finance Corporation": Provided further, That in addition to the funds made available under this paragraph for the "Economic Support Fund" $85,000,000 is available for the "Economic Support Fund" to be transferred to the Agency for International Development for economic development assistance projects, under the terms and conditions of sections 103 through 106 of the Foreign Assistance Act of 1961, such projects to be approved through the established reprograming processes of the Appropriations Committee of the House of Representatives and of the Senate, except that none of the funds provided herein shall be available for non-development activities including balance of payments support, commodity imports, sector loans, and program loans: Provided further, That notwithstanding any other provision of this joint resolution or any other Act, $5,500,000 of the funds provided for Honduras under the authority of this joint resolution shall not be made available until that country meets the final terms of the binding arbitration award established by the Inter-American Commercial Arbitration Commission as regards Construction Aggregates Corporation.

(2) Notwithstanding section 102 of this joint resolution, chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 128. Targeting Assistance for Those Living in Absolute Poverty.—In carrying out this chapter, the President in fiscal year 1983, shall attempt to use not less than 40 per centum of the funds made available to carry out this chapter to finance productive facilities, goods, and services which will expeditiously and directly benefit those living in absolute poverty (as determined under the standards for absolute poverty adopted by the International Bank for Reconstruction and Development and the International Development Association). Such facilities, goods, and services may include, for example, irrigation facilities, extension services, credit for small farmers, roads, safe drinking water supplies, and health services. Such facilities, goods, and services may not include studies, reports, technical advice, consulting services, or any other items unless (A) they are used primarily by those living in absolute poverty themselves, or (B) they constitute research which produces or aims to produce techniques, seeds, or other items to be primarily used by those living in absolute poverty. Research shall not consitiue the major part of such facilities, goods, and services.":

Provided further, That within six months after the date of approval of this joint resolution, the Administrator of the Agency for International Development shall report to Congress on the implementation of this provisio, the types of projects determined to meet these requirements, and the effect on the overall U.S. foreign assistance program. and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

(c) Notwithstanding any other provision of this joint resolution, such amounts as may be necessary for programs, projects or activities provided for in the Department of Defense Appropriation Act, 1983, at a rate of operations and to the extent and in the manner provided, to be effective as if it had been enacted into law as the regular Appropriation Act, as follows:

An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1983, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1983, for military functions administered by the Department of Defense, and for other purposes, namely: